



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
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DIVISION OF REVENUE

October 28, 1996

TECHNICAL INFORMATION MEMORANDUM 96-5 REVISED

SUBJECT: GROSS RECEIPT TAX RATE REDUCTIONS

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This Technical Information Memorandum is intended to correct an error on Technical Information Memorandum 96-5. The correct **New Rate** for a commercial feed dealer is 0.096%, not 0.96% as originally reported. The gross receipts tax rate reductions are effective for gross receipts received after December 31, 1996. Senate Bill 481 provides for a 4% tax rate reduction for all gross receipts taxes. The following table reflects the current and revised tax rates.

Business Activity	Current Rate	New Rate
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Occupational Licenses ¹	0.4% (0.004)	0.384% (0.00384)
Contractor	0.65% (0.0065)	0.624% (0.00624)
Manufacturer	0.25% (0.0025)	0.24% (0.0024)
General Wholesaler	0.4% (0.004)	0.384% (0.00384)
Petroleum Surtax ²	0.25% (0.0025)	0.24% (0.0024)
Food Processor	0.2% (0.002)	0.192% (0.00192)
Commercial Feed Dealer	0.1% (0.001)	0.096% (0.00096)
General Retailer	0.75% (0.0075)	0.72% (0.0072)
Restaurant Retailer	0.65% (0.0065)	0.624% (0.00624)
Farm Machinery Retailer	0.1% (0.001)	0.096% (0.00096)
Lessor of Tangible Prop	0.3% (0.003)	0.288% (0.00288)
Lessee Use Tax	2.0% (0.02)	1.92% (0.0192)
Transient Retailer	0.75% (0.0075)	0.72% (0.0072)
Grocery Supermarket ³	0.384% 1st \$2.0 million	0.72% on remaining

There were no changes to the monthly/quarterly gross receipts exclusion available to most businesses subject to the gross receipt tax.

William M. Remington

William M. Remington
Director of Revenue

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¹ Includes taxpayers taxable under §2301(d), 30 Del C. .

² The tax rate reduction applies to the petroleum surtax only. The hazardous substance tax rate (0.9%) was not changed.

³ Grocery supermarket retailers must meet certain qualifications explained in TIM 96-7. Licensees taxable under this activity pay the gross receipts tax at the rate of 0.384% (0.00384) on the first \$2.0 million of receipts and 0.72% (0.0072) on all receipts above \$2.0 million per month.